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Financing of the United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium and the Civilian Police Support Group

Financing of the United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium and the Civilian Police Support Group

Report of the Secretary-General

Summary

The present report contains the financial performance report of the United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium (UNTAES) and the Civilian Police Support Group for the period from 1 July 1997 to 30 June 1998. The General Assembly, by its resolution 52/244 of 26 June 1998, reduced the appropriation of $275,344,900 gross ($266,226,000 net) provided in its resolution 51/153 B of 13 June 1997 to the amount of $134,824,800 gross ($129,235,900 net) for the maintenance of UNTAES and the Support Group for the same period.

Expenditures for the period totalled $119,577,500 gross ($114,787,700 net), excluding budgeted voluntary contributions in kind in the amount of $297,500, resulting in an unencumbered balance of $15,247,300 gross ($14,448,200 net). Of this, an amount of $553,400 gross ($493,700 net) has been concurred in by the Advisory Committee on Administrative and Budgetary Questions for completion of liquidation tasks.

The unencumbered balance resulted from an early repatriation of military contingents, civilian vacancies and the availability of spare parts and supplies from stock.

The actions to be taken by the General Assembly in connection with the financing of UNTAES and the Support Group are contained in paragraph 17 of the present report.

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Contents

		Paragraphs	Page
I.	Introduction	1–8	3
II.	Implementation of the budget	9–14	4
III.	Financial performance report for the period from 1 July 1997 to 30 June 1998	15–16	5
IV.	Actions to be taken by the General Assembly at its fifty-third session	17	6
Annexes			
I.	Financial performance report for the period from 1 July 1997 to 30 June 1998: summary statement		7
II.	Supplementary information on significant variances		9
III.	Planned and actual deployment of military and civilian personnel for the period from 1 July 1997 to 30 June 1998		13
	A. United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium		13
	B. Civilian Police Support Group		15
IV.	Apportionment and expenditures for the period from 1 July 1997 to 30 June 1998		16

I. Introduction

1. The United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium (UNTAES) was established by the Security Council in its resolution 1037 (1996) of 15 January 1996. The mandate of UNTAES terminated on 15 January 1998 in accordance with Security Council resolution 1120 (1997) of 14 July 1997.

2. By its resolution 1145 (1997) of 19 December 1997, the Security Council established the Civilian Police Support Group for a single nine-month period with effect from 16 January 1998. By the same resolution, the Council decided that the Support Group would assume responsibility for those UNTAES personnel and United Nations-owned assets needed for its use in the fulfilment of its mandate.

3. Pursuant to Security Council resolutions 1120 (1997) and 1145 (1997), the revised budget for the maintenance of UNTAES and the Support Group for the period from 1 July 1997 to 30 June 1998 was set out in the report of the Secretary-General dated 23 February 1998 (A/52/801) and amounted to $139,213,300 gross ($133,317,900 net), inclusive of budgeted voluntary contributions in kind amounting to $297,500. It provided for the maintenance of UNTAES until the termination of its mandate on 15 January 1998, the liquidation of UNTAES from 16 January to 30 June 1998 and the maintenance of the Support Group from 16 January to 30 June 1998.

4. On the recommendation of the Advisory Committee on Administrative and Budgetary Questions (see A/52/859, para. 25), the General Assembly, by its resolution 52/244 of 26 June 1998, reduced the appropriation of $275,344,900 gross ($266,226,000 net) provided in its resolution 51/153 B of 13 June 1997 to the amount of $134,824,800 gross ($129,235,900 net), inclusive of $10,276,000 for the support account for peacekeeping operations. This amount has been assessed on Member States. By the same resolution, the Assembly decided to continue to use the Special Account for UNTAES for the Support Group beginning on 16 January 1998.

5. In view of the General Assembly's decision to use the Special Account established for UNTAES by its resolution 50/242 of 7 June 1996 for the purpose of accounting for income received and expenditures incurred for the Support Group beginning 16 January 1998, it is proposed that the special arrangements approved for UNTAES in its resolution 51/153 B with regard to the application of article IV of the financial regulations of the United Nations, whereby appropriations required in respect of obligations owed to Governments should be retained beyond the period stipulated under financial regulations 4.3 and 4.4, as set out in the annex to the same resolution, also apply to the Support Group.

6. Subsequently, in his letter of 20 July 1998 to the Chairman of the Advisory Committee, the Controller informed him that the liquidation of UNTAES had been delayed in the areas of administration, logistics and engineering owing to lower than planned deployment of personnel. There was therefore an additional requirement for 42 person-months (24 international and 18 local) in the mission area from 1 July to 30 November 1998, as well as 12 international person-months at Headquarters from 1 December 1998 to 28 February 1999 to complete the following tasks: clean-up and renovation of the auction site, handover of Klisa airport to the Croatian authorities after the final removal of all United Nations assets, repair and refurbishment work, closing of financial records, completion of inventory categorization and disposition of assets. It was proposed to meet the estimated additional requirement of $553,400 gross ($493,700 net) from the resources provided for the period from 1 July 1997 to 30 June 1998.

7. In a letter dated 31 July 1998, the Chairman of the Advisory Committee replied to the Secretary-General informing him of the Committee's concurrence in the request.

8. Finally, there is a need to accommodate within the resources provided for the period ending 30 June 1998 an unbudgeted requirement of $47,800 for the final audit of UNTAES by the Board of Auditors.

II. Implementation of the budget

9. Information on the operations of UNTAES and the Support Group and on the situation on the ground during the period under review is contained in the reports of the Secretary-General to the Security Council dated 23 June 1997 (S/1997/487), 2 October 1997 (S/1997/767), 4 December 1997 (S/1997/953), 22 January 1998 (S/1998/59) and 11 June 1998 (S/1998/500).

10. The Security Council, in its resolution 1120 (1997), endorsed the withdrawal plan of UNTAES set out in the report of the Secretary-General of 23 June 1997. In its resolution 1145 (1997), the Council noted the termination of the mandate of UNTAES on 15 January 1998 and established the Support Group to continue to monitor the performance of the Croatian police in the Danube region, particularly in connection with the return of displaced persons.

11. The successful execution of the political mandates and the stable and safe environment created by the Transitional Administration facilitated the management and use of the mission's resources. The accelerated repatriation of military contingents in January and February 1998, the lower price of rations and the utilization of UNTAES transport and river barges for repatriating troops largely accounted for the unutilized balance of $1.9 million under military personnel costs.

12. The overall average vacancy rate for international staff was 7.8 per cent. While a significant portion of staff for the Support Group was planned to be drawn from UNTAES, there was a delay in the availability and deployment of those staff in the area of administration, since they had to perform liquidation activities that took longer than anticipated to complete (see para. 6 above).

13. Effective joint civilian/military resourcing and tasking resulted in significant savings under alteration and renovation of premises. Close coordination between engineering and contingent personnel contributed to more timely closure and refurbishment of military camps. The mission's use of river barges as well as its own resources to transport United Nations-owned equipment to the United Nations Logistics Base at Brindisi resulted in considerable savings under freight. Flat-packing containers for inter-mission transfers reduced transport volume by 25 per cent for accommodation containers and by 50 per cent for kitchen and dining containers. By making use of existing staff, costs for the use of freight forwarding for this purpose were also avoided.

14. In disposing of United Nations assets, the mission conducted an international auction, which realized a net income of $1.6 million (as compared with an estimated residual value of $7.2 million).

III. Financial performance report for the period from 1 July 1997 to 30 June 1998

15. As indicated in table 1 below, from the appropriation of $134,824,800 gross ($129,235,900 net) for the maintenance of UNTAES and the Support Group for the period from 1 July 1997 to 30 June 1998, expenditure amounted to $119,577,500 gross ($114,787,700 net), inclusive of $27,681,900 in unliquidated obligations. The resulting unencumbered balance of $15,247,300 gross ($14,448,200 net) represents, in gross terms, 11 per cent of the amount appropriated. Annex I to the present report contains financial performance information for the reporting period by budget line item, with supplementary information on significant variances presented in annex II. Annex IV contains a chart showing apportionment and expenditures by the main budget groups.

Table 1
Apportionment and expenditure
(Thousands of United States dollars)

Category of expenditure	*Apportionment*	*Expenditure*[a]	*Variance*
Military personnel costs	41 885.5	39 951.8	1 933.7
Civilian personnel costs	53 433.3	47 947.1	5 486.2
Operational costs	23 747.1	14 922.5	8 824.6
Other programmes	191.5	213.8	(22.3)
United Nations Logistics Base at Brindisi	—	1 774.0	(1 774.0)
Support account for peacekeeping operations	10 276.0	10 276.0	—
Staff assessment	5 588.9	4 789.8	799.1
Total	**135 122.3**	**119 875.0**	**15 247.3**
Income from staff assessment	(5 588.9)	(4 789.9)	(799.1)
Voluntary contributions in kind (budgeted)	(297.5)	(297.5)	—
Gross requirements	**134 824.8**	**119 577.5**	**15 247.3**
Net requirements	**129 235.9**	**114 787.7**	**14 448.2**
Voluntary contributions in kind (non-budgeted)[b]	489.6	489.6	—
Total resources	**129 725.5**	**115 277.3**	**14 448.2**

[a] Includes an amount of $27,681,900 in unliquidated obligations.

[b] Consists of eight gratis personnel provided by the Governments of Belgium, France, Sweden and the United States of America who were repatriated in January 1998 upon the termination of UNTAES.

16. Information on the deployment of military and civilian personnel during the reporting period is presented in table 2 and in annex III.

Table 2
Authorizing staffing, incumbency and vacancy rates for military and civilian personnel for the period from 1 July 1997 to 31 June 1998

Personnel category	*Authorized strength*	*Actual strength (average)*	*Vacancy rate (per cent)*
UNTAES			
Military observers	100	92	8.0
Military contingents	1 227	1 180	4.0
Civilian police	408	367	10.0
International staff	244	230	6.0
Local staff	365	346	5.0
United Nations Volunteers	56	49	11.0
Support Group			
Civilian police	180	180	—
International staff	52	47	9.6
Local staff	165	157	4.8

IV. Actions to be taken by the General Assembly at its fifty-third session

17. The actions to be taken by the General Assembly in connection with the financing of UNTAES and the Civilian Police Support Group are:

(a) To decide to authorize the Secretary-General to utilize an amount of $601,200 gross ($541,500 net) from the resources provided for the period ending 30 June 1998 in order to meet the cost of completing the liquidation of the mission as well as the final audit, inclusive of $553,400 gross ($493,700 net) related to liquidation activities, already concurred in by the Advisory Committee on Administrative and Budgetary Questions;

(b) To decide on the treatment of the remaining unencumbered balance of $14,646,100 gross ($13,906,700 net) for the period from 1 July 1997 to 30 June 1998;

(c) To decide to apply to the Support Group the special arrangements approved for UNTAES by its resolution 51/153 B, as regards article IV of the financial regulations of the United Nations, as set out in paragraph 5 above.

Annex I

Financial performance report for the period from 1 July 1997 to 30 June 1998: summary statement

(Thousands of United States dollars)

	(1)	(2)	(3)	(4) = (1-3)
	Apportionment	*Non-recurrent expenditures*	*Total expenditures (inclusive of non-recurrent expenditures)*	*Variance*
I. Military personnel costs				
1. Military observers	2 243.4	-	2 076.6	166.8
2. Military contingents	21 387.2	-	19 620.3	1 766.9
3. Other costs pertaining to military personnel				
(a) Contingent-owned equipment	17 500.0	-	17 500.0	-
(b) Death and disability compensation	754.9	-	754.9	-
Subtotal, line 3	18 254.9	-	18 254.9	-
Total, Category I	**41 885.5**	-	**39 951.8**	**1 933.7**
II. Civilian personnel costs				
1. Civilian police	11 598.5	-	10 869.0	729.5
2. International and local staff	39 961.1	-	35 460.8	4 500.3
3. International contractual personnel	-	-	-	-
4. United Nations Volunteers	1 873.7	-	1 617.3	256.4
5. Government-provided personnel	-	-	-	-
6. Civilian electoral observers	-	-	-	-
Total, Category II	**53 433.3**	-	**47 947.1**	**5 486.2**
III. Operational costs				
1. Premises/accommodation	6 048.6	313.9	4 161.9	1 886.7
2. Infrastructure repairs	-	-	-	-
3. Transport operations	5 644.3	-	2 827.6	2 816.7
4. Air operations [a]	1 527.8	-	825.8	702.0
5. Naval operations	-	-	-	-
6. Communications	1 489.2	7.7	705.3	783.9
7. Other equipment	450.0	18.8	166.2	283.8
8. Supplies and services	2 035.8	-	1 801.7	234.1
9. Air and surface freight				
(a) Transport of contingent-owned equipment	4 800.0	-	3 189.9	1 610.1
(b) Commercial freight and cartage	1 751.4	-	1 244.1	507.3
Subtotal, line 9	**6 551.4**	-	**4 434.0**	**2 117.4**
Total, Category III	**23 747.1**	**340.4**	**14 922.5**	**8 824.6**

	(1)	(2)	(3)	(4) = (1-3)
	Apportionment	*Non-recurrent expenditures*	*Total expenditures (inclusive of non-recurrent expenditures)*	*Variance*
IV. Other programmes				
1. Election-related supplies and services	-	-	-	-
2. Public information programmes	152.2	-	68.5	83.7
3. Training programmes	28.0	-	11.8	16.2
4. Mine-clearing programmes	11.3	-	133.5	(122.2)
5. Assistance for disarmament and demobilization	-	-	-	-
Total, Category IV	**191.5**	**-**	**213.8**	**(22.3)**
V. United Nations Logistics Base at Brindisi	-	-	1 774.0	(1774.0)
VI. Support account for peacekeeping operations	10 276.0	-	10 276.0	-
VII. Staff assessment	5 588.9	-	4 789.8	799.1
Total, Categories I - VII	**135 122.3**	**340.4**	**119 875.0**	**15 247.3**
VIII. Income from staff assessment	(5 588.9)	-	(4 789.8)	(799.1)
IX. Voluntary contributions in kind (budgeted)	(297.5)	-	(297.5)	-
Total, Categories VIII - IX	**(5 886.4)**	**-**	**(5 087.3)**	**(799.1)**
Gross requirements	134 824.8	340.4	119 577.5	15 247.3 [b]
Net requirements	129 235.9	340.4	114 787.7	14 448.2 [b]
X. Voluntary contributions in kind (non-budgeted)	489.6	-	489.6	- [c]
Total resources	**129 725.5**	**340.4**	**115 277.3**	**14 448.2**

[a] Includes budgeted voluntary contributions in kind.

[b] These amounts have been reduced to $14,646,100 gross ($13,906,700 net) after providing for the requirements for completion of the liquidation tasks and the final audit.

[c] Consists of eight gratis personnel provided by the Governments of Belgium, France, Sweden and the United States of America who were repatriated in January 1998 upon the termination of UNTAES.

Annex II

Supplementary information on significant variances

Military personnel costs

Apportionment: $41,885,500; expenditure: $39,951,800; variance: $1,933,700

1. The unutilized balance of $1,933,700 under military observers ($166,800) and military contingents ($1,766,900) resulted primarily from the accelerated repatriation of military personnel. Savings were also realized for travel due to the extensive use of the mission's own resources to transport contingents to their home countries or port of departure. Additionally, a detailed review of obligations for baggage allowance of military observers was carried out prior to the closing of accounts. The liquidation of amounts not required reduced the average cost per trip from $2,227 to $1,454. Further savings were attributable to the fact that the actual cost of rations averaged $5.53 per person, which was less than the budgeted amount of $6.00.

Civilian personnel costs

Apportionment: $53,433,300; expenditure: $47,947,100; variance: $5,486,200

2. The unutilized balance of $5,486,200 under this heading resulted from the reduced requirement of $729,500 under civilian police, $4,500,300 under international and local staff and $256,400 under United Nations Volunteers.

Civilian police

Apportionment: $11,598,500; expenditure: $10,869,000; variance: $729,500

3. With regard to the civilian police, lower requirements were due to the accelerated repatriation of civilian police from UNTAES and lower travel costs, resulting in an unutilized balance of $729,500. Also, some civilian police opted for repatriation by privately owned vehicles, which reduced their repatriation costs. Furthermore, following a detailed review of obligations for baggage allowance, any amounts not required were liquidated, resulting in lower expenditures for travel.

International and local staff

Apportionment: $39,961,100; expenditure: $35,460,800; variance: $4,500,300

4. The main factor contributing to the unutilized balance of $4,500,300 under international and local staff was the lower deployment of support staff as a result of the accelerated repatriation of military personnel.

5. Moreover, expenditures for international staff salaries were lower than estimated due to the fact that some posts were filled by staff at lower grade levels than budgeted. In addition, a number of section chiefs were reassigned to start up the United Nations Mission in the Central African Republic in early April 1998. The overall international staff vacancy rate was 6 per cent for UNTAES and 10 per cent for the Support Group. In addition to savings resulting from vacancies, savings under common staff costs resulted from the fact that some staff did not utilize their entitlements for home leave and family visit during this period. The lower than planned deployment of international staff also resulted in savings under mission subsistence allowance.

United Nations Volunteers

Apportionment: $1,837,700; expenditure: $1,617,300; variance: $256,400

6. The unutilized balance of $256,400 under United Nations Volunteers was due to a reduction in the number of work-months during the drawdown of UNTAES, as shown in annex III.A.

Operational costs

Apportionment: $23,747,100; expenditure: $14,922,500; variance: $8,824,600

7. The unutilized balance of $8,824,600 under this heading resulted from reduced requirements under premises/accommodation ($1,886,700), transport operations ($2,816,700), air operations ($702,000), communications ($783,900), other equipment ($283,800), supplies and services ($234,100), transport of contingent-owned equipment ($1,610,100) and commercial freight ($507,300).

Premises/accommodation

Apportionment: $6,048,600; expenditure: $4,161,900; variance: $1,886,700

8. The unutilized balance of $1,886,700 under premises/accommodation was due to the early closure of military camps and the speedy relocation of United Nations-owned equipment to the Klisa camp and the availability of maintenance supplies from stock.

Transport operations

Apportionment: $5,644,300; expenditure: $2,827,600; variance: $2,816,700

9. The unutilized balance of $2,816,700 under transport operations was attributable to a lower deployment of vehicles due to the drawdown of the mission, the availability of spare parts and supplies from stock and the cannibalization of usable spare parts from written-off vehicles.

Air operations

Apportionment: $1,527,800; expenditure: $825,800; variance: $702,000

10. The unutilized balance of $702,000 under this heading consisted of $362,100 under helicopter operations, $6,600 under fixed-wing aircraft, $250,000 under aircrew subsistence allowance and $83,300 under other air operation costs.

11. The unutilized balance of $362,100 resulted from actual flying hours (443.6) being lower than budgeted (584) and the fact that related expenditures in the amount of $163,075 were charged to prior period obligations.

12. The cost estimate of $309,000 for subsistence allowance included provision of $79,000 for payment to four crew members for 195 days each at $105 per person per day as well as $230,000 to settle outstanding claims for the prior period. The unutilized balance of $250,000 was due to the fact that no claim was received in respect of the prior period, and payment for the current period was made for only 142 days.

Communications

Apportionment: $1,489,200; expenditure: $705,300; variance: $783,900

13. An unutilized balance of $783,900 under communications resulted from lower requirements for spare parts and commercial communications than were envisaged when the revised cost estimates were prepared.

Other equipment

Apportionment: $450,000; expenditure: $166,200; variance: $283,800

14. Savings of $283,800 under other equipment were mainly due to a lower than planned requirement for spare parts, repairs and maintenance.

Supplies and services

Apportionment: $2,035,800; expenditure: $1,801,700; variance: $234,100

15. An overall unutilized balance of $234,100 under supplies and services was mainly due to the availability of supplies from stock.

Air and surface freight

Apportionment: $6,551,400; expenditure: $4,434,000; variance: $2,117,400

16. An unutilized balance of $2,117,400 under air and surface freight was mainly due to the use of UNTAES heavy transport vehicles and river barges for the repatriation of contingent-owned equipment and the transport of United Nations-owned equipment to the United Nations Logistics Base at Brindisi utilizing the mission's personnel and trucks. It should be noted that the convoys, on their return trips from Brindisi to Klisa, carried written-off equipment from the Logistics Base, which was sold at the international auction of UNTAES assets being disposed of.

Other programmes

Apportionment: $191,500; expenditure: $213,800; variance: ($22,300)

17. The overall overexpenditure of $22,300 under this heading resulted from reduced requirements under public information programmes ($83,700) and training programmes ($16,200), which were offset by additional requirements totalling $122,200 under mine-clearing programmes.

Public information programmes

Apportionment: $152,200; expenditure: $68,500; variance: $83,700

18. There was an unutilized balance of $83,700 under public information programmes since information activities ended with the termination of the UNTAES mandate, and the provision included for the Support Group was not utilized.

Mine-clearing programmes

Apportionment: $11,300; expenditure: $133,500; variance: ($122,200)

19. Additional requirements of $122,200 under mine-clearing programmes were due to a troop-contributing country's claim for engineering ammunition and explosives required

for operational reasons from April to August 1997 to clear access roads leading to the mission area through the former confrontational line between Osijek and Vinkovci.

United Nations Logistics Base at Brindisi

Apportionment: none; expenditure: $1,774,000; variance: ($1,774,000)

20. The expenditure of $1,774,000 represents the prorated share of UNTAES for the cost of maintaining the United Nations Logistics Base at Brindisi for the reporting period, in accordance with General Assembly resolution 52/1 A of 15 October 1997.

Staff assessment

Apportionment: $5,588,900; expenditure: $4,789,800; variance: $799,100

21. The unutilized balance of $799,100 was due to lower than planned deployment of personnel.

Income from staff assessment

Apportionment: ($5,588,900); expenditure: ($4,789,800); variance: $799,100

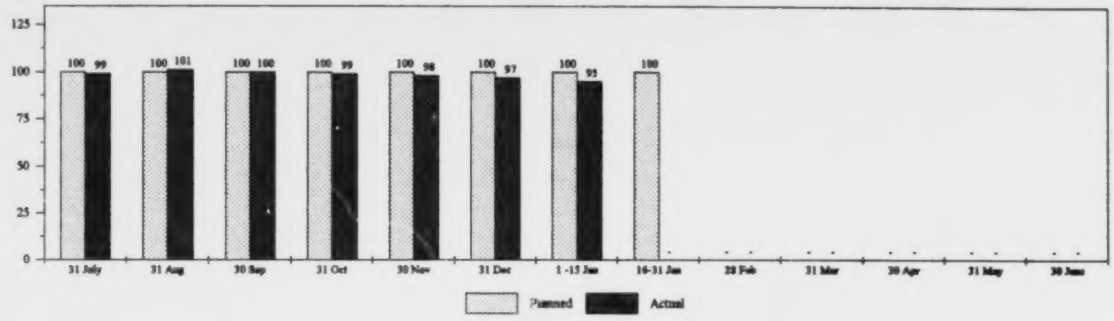
22. This amount is derived from staff assessment (see para. 21).

Annex III

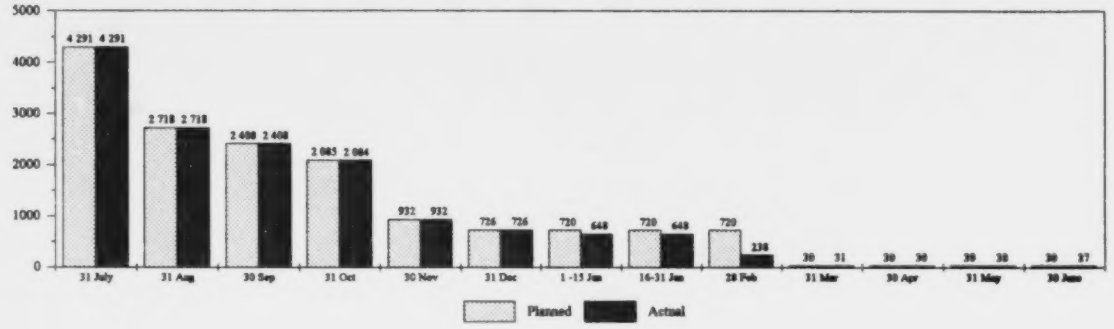
Planned and actual deployment of military and civilian personnel for the period from 1 July 1997 to 30 June 1998

A. United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium

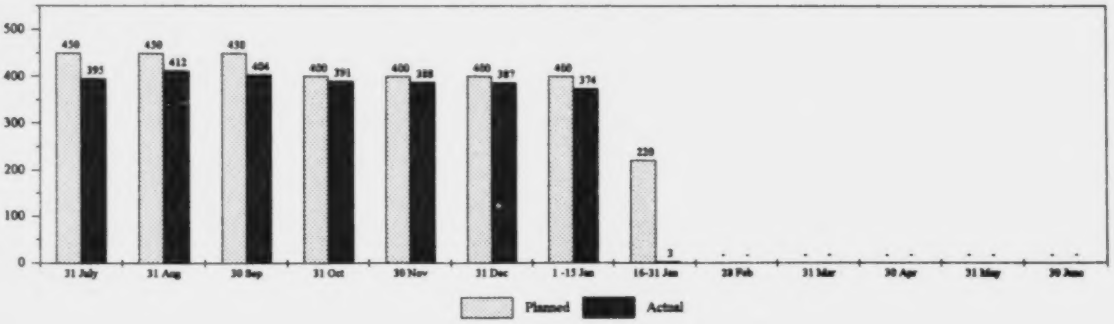
1. Military observers



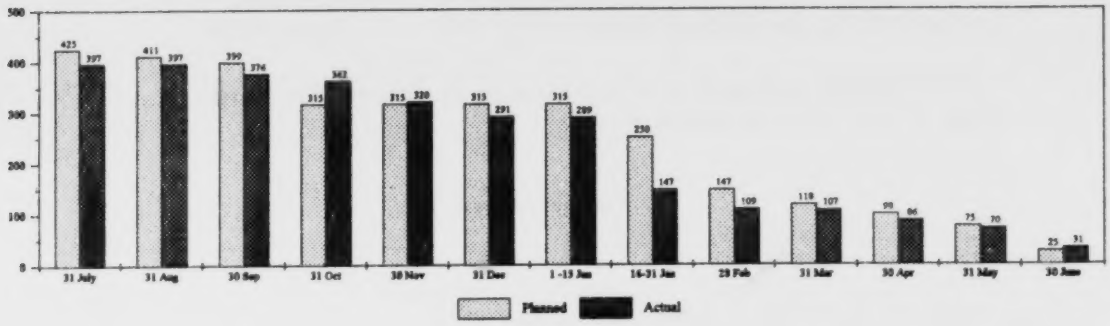
2. Military contingents



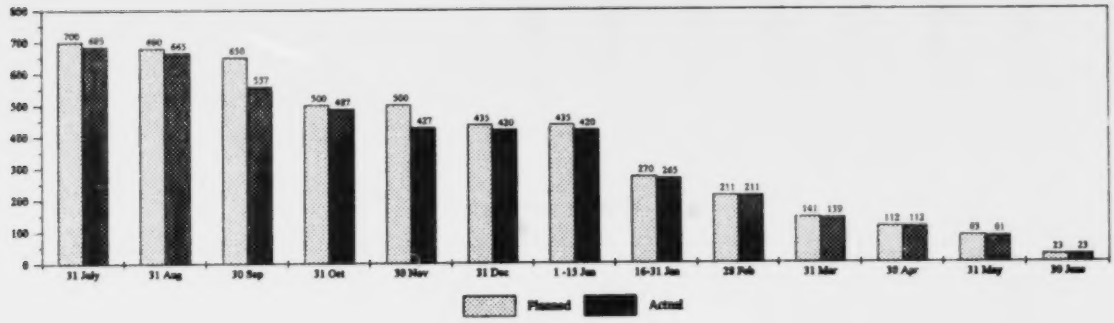
3. Civilian police



4. International staff

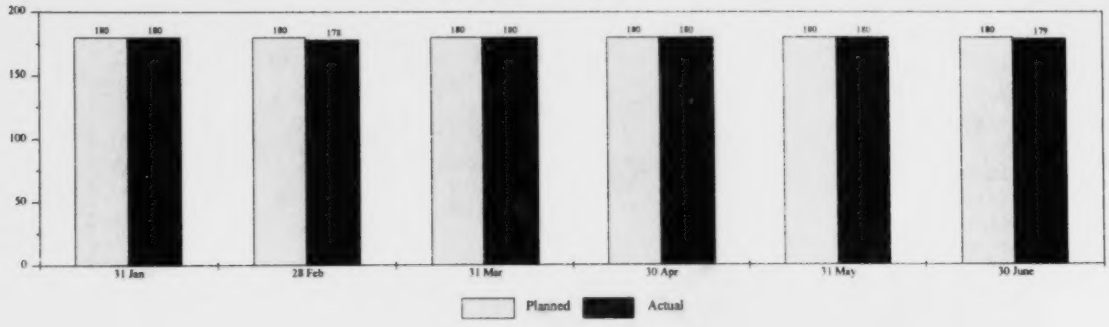


5. Local staff

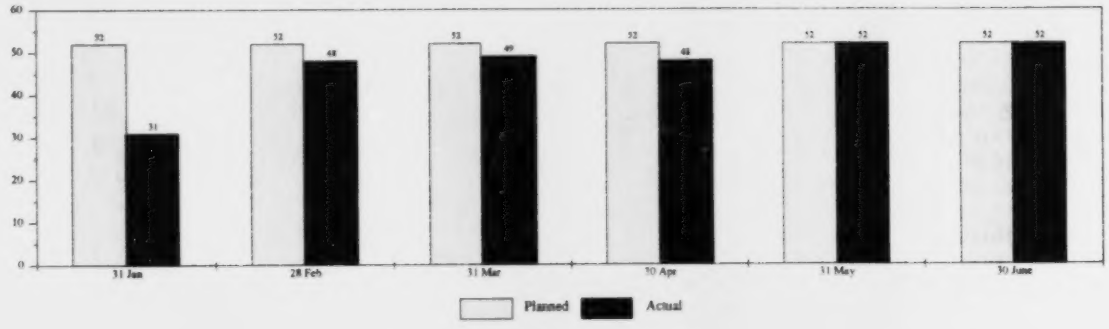


B. Civilian Police Support Group

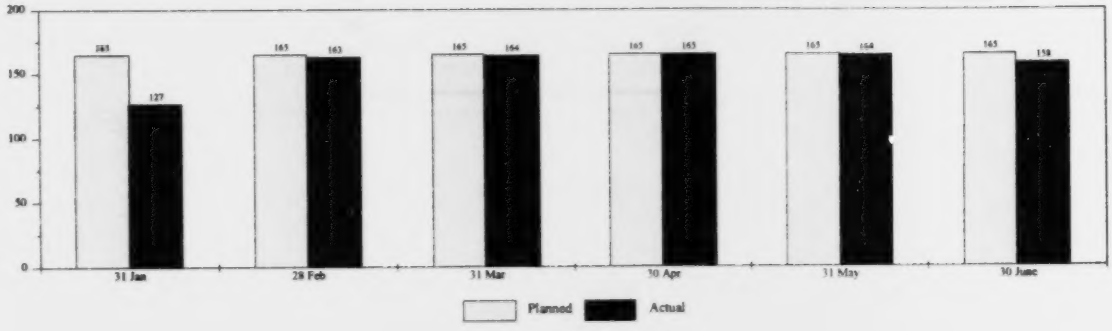
1. Civilian police



2. International staff



3. Local staff



Annex IV

Apportionment and expenditures for the period from 1 July 1997 to 30 June 1998